

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7527

BILL NUMBER: HB 1294

DATE PREPARED: Jan 3, 2001

BILL AMENDED:

SUBJECT: Filing extension for personal property tax returns.

FISCAL ANALYST: Bob Sigalow

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill extends the deadline for filing a personal property tax return by 30 days if the taxpayer gives notice of the extension to the township assessor.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current law, personal property tax returns must be filed by May 15 each year. Before May 15, a personal property taxpayer may submit a written request to the township assessor for a 30 day extension, making the extended due date June 14. The township assessor has sole discretion in determining whether or not to grant the extension. Under this proposal, a personal property taxpayer would receive an automatic 30 day filing extension if the taxpayer submits a written extension notice to the township assessor before May 15.

Currently, taxpayers who fail to file their returns timely are subject to a penalty. If the return is filed late and without extension but by June 14, the penalty is equal to \$25. Returns that are filed without extension after June 14 are subject to the \$25 penalty plus a penalty of 20% of the tax due. If a taxpayer gives notice of an automatic 30 day extension under this proposal, the penalty dates would be delayed by 30 days and any penalties that are imposed could be reduced. Penalties are distributed to local taxing units along with property taxes.

Background Information: Township assessors must report of all of the personal property tax assessments in

the township to the county assessor by June 1. The county assessor must report of all of the property tax assessments in the county to the county auditor by July 1. The county auditor must then send a certified statement that includes information concerning assessed valuation to each taxing unit and the State Tax Board by August 1. This assessed valuation information is used in the preliminary budget work by each taxing unit.

State Agencies Affected:

Local Agencies Affected: Local taxing units; Township and county assessors; County auditors.

Information Sources: